Supreme Court, U.S.
FILED
MAR 30 2016
OFFICE OF THE CLERK

No. 15-446

IN THE

Supreme Court of the United States

CUOZZO SPEED TECHNOLOGIES, LLC,

Petitioner,

v.

MICHELLE K. LEE, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, PATENT AND TRADEMARK OFFICE,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF OF *AMICUS CURIAE* UNIFIED PATENTS INC. IN SUPPORT OF RESPONDENT

KEVIN JAKEL
JONATHAN STROUD
SHAWN AMBWANI
UNIFIED PATENTS INC.
2 North 1st Street, 5th Floor
San Jose, California 95113
(650) 999-0899

SCOTT A. MCKEOWN
Counsel of Record
STEPHEN G. KUNIN
JEFFREY I. FREY
OBLON, MCCLELLAND, MAIER & NEUSTADT, L.L.P.
1940 Duke Street
Alexandria, Virginia 22314
(703) 412-6297
smckeown@oblon.com

Counsel for Amicus Curiae

265039

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

TABLE OF CONTENTS

	Page
TABLE OF CONTENTS.	i
TABLE OF CITED AUTHORITIES	iv
STATEMENT OF INTEREST	.1
INTRODUCTION.	.2
SUMMARY OF THE ARGUMENT. . . .	.7
ARGUMENT	.9
I. *Inter partes* review (IPR) procedures are a refinement of patent examination and reexamination processes all using the BRI standard, which have for more than a century sought to improve patent quality, thus reducing problematic district court patent litigation.	.9
A. IPR is an administrative proceeding not intended to replace litigation in district court	.9
B. IPR is a refinement of an earlier PTO post-grant procedure, *inter partes* reexaminations, which construed claims using the broadest reasonable interpretation (BRI)	.11

Table of Contents

Page

II. Amendment is not more limited in IPRs than in other post-grant procedures, even in other adjudicative proceedings, and post-grant amendment is available by other routes at the U.S. Patent and Trademark Office (PTO) .14

A. Claims may be modified in reexamination proceedings, which, like IPR, are post-grant proceedings at the PTO that allow limited amendment, and use BRI .15

B. Interference proceedings, which are adjudicatory proceedings at the PTO that allow amendment (and on which IPR procedure was based), use BRI .17

C. Patent reissue is a post-grant proceeding that likewise allows patentees to amend claims, and uses BRI .19

D. Many factors have contributed to the limited number of amendments made to date in IPRs .19

III. When properly applied, the standards of construction in the PTO and in the courts are paths to the same result .21

Table of Contents

Page

A. Because the PTAB properly applied the BRI standard, Petitioner received the "plain and ordinary" claim interpretation it seeks .22

B. The PTO recognizes that BRI and "plain and ordinary meaning" are not alternatives. . . .23

C. The U.S. Court of Appeals for the Federal Circuit recognizes that BRI and "plain and ordinary meaning" are not alternatives. .24

D. Factors other than BRI can result in differences in claim construction in the PTO and in the courts .25

E. Claim construction procedures under the PTAB and in the courts differ only inconsequentially .27

IV. Congress assumed BRI would continue to be used by the PTO in post-grant patent proceedings, as shown by the specific statute of the AIA it promulgated, to avoid claim-construction gamesmanship by patentees. .30

CONCLUSION .31

TABLE OF CITED AUTHORITIES

Page

CASES

American Hoist and Derrick Company v. Sowa & Sons Inc., 725 F.2d 1350 (Fed. Cir. 1984) .6, 25

Bamberg v. Dalvey, No. 2015-1548 (Fed. Cir. March 9, 2016) .18

Bamberger v. Cheruvu, 55 U.S.P.Q.2d 1523 (B.P.A.I. 1998). .17

Blackberry Corp. v. Mobilemedia Ideas LLC, IPR2013-00016, Paper No. 31 (PTAB December 11, 2013). .10

Blackberry Corp. v. Mobilemedia Ideas LLC, IPR2013-00036, Paper No. 64 (PTAB Jan. 21, 2014) .10

Chevron, USA, Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837 (1984). .25, 26

COMMIL USA, LLC v. Cisco Systems, Inc., 135 S. Ct. 1920 (2015). .10

eBay Inc. v. MercExchange, L.L.C., 126 S. Ct. 1837 (2006) .10

Cited Authorities

	Page
Ethicon, Inc. v. Quigg, 849 F.2d 1422 (Fed. Cir. 1988)	.27
In re Cortright, 165 F.3d 1353 (Fed. Cir. 1999)	.28
In re: Cuozzo Speed Techs., LLC, 793 F.3d 1268 (Fed. Cir. 2015)	.22
Lacavera v. Dudas, 441 F.3d 1380 (Fed. Cir. 2006)	.26
Laitram Corp. v. NEC Corp., 163 F.3d 1342 (Fed. Cir. 1998)	.20
MasterImage 3D, Inc. and MasterImage 3D Asia, LLC v. RealD Inc., IPR2015-00040 (PTAB July 15, 2015).	.20
Merck & Co. v. Teva Pharms. USA, Inc., 347 F.3d 1367 (Fed. Cir. 2003)	.24
Microsoft Corp. v. i4i Limited Partnership, 131 S. Ct. 2242 (2011).	.27
Microsoft Corp. v. Proxyconn, Inc., 789 F.3d 1292 (Fed. Cir. 2015)	.24
Miel v. Young, 29 App. D.C. 481 (D.C. Cir. 1907).	.4

Cited Authorities

	Page
Omega Eng'g, Inc. v. Raytek Corp., 334 F.3d 1314 (Fed. Cir. 2003)	.29
Phillips v. AWH Corp., 415 F.3d 1303 (Fed. Cir. 2005)	*passim*
Podlesak v. McInnerney, 1906 Dec. Comm'r Pat. 265.	.4
Trivascular, Inc. v. Samuels, No. 2015-1631 (Fed. Cir. Feb. 5, 2016)	24, 25
Wnek v. Dobbs, 85 U.S.P.Q.2d 1159 (BPAI 2006).	.18
ZTE Corp. v. ContentGuard Holdings, Inc., IPR 2013-00136, Paper 33 (PTAB Nov. 7, 2013)	.19
STATUTES	
35 U.S.C. § 2.	.26
35 U.S.C. § 102.	.15, 17
35 U.S.C. § 120.	.29
35 U.S.C. § 282.	.4
35 U.S.C. § 301 .	4, 28, 30

Cited Authorities

	Page
35 U.S.C. § 302.	.15
35 U.S.C. § 305.	.15
35 U.S.C. § 306.	.15
35 U.S.C. § 307	.15
35 U.S.C. § 311	.15
35 U.S.C. §§ 312–16.	.2
35 U.S.C. § 314	.7
35 U.S.C. § 315.	.12
35 U.S.C. § 316	.13, 14, 29
35 U.S.C. § 317	.10
35 U.S.C. § 325.	.2
35 U.S.C. § 326.	.4
Act of July 4, 1836, ch. 357, § 8, 5 Stat. 120	.17
Pub. L. 106-113, 113 Stat. 1501A-571, § 4606 (1999)	.12
Pub. L. 96-517, 94 Stat. 3016, § 1 (1980)	11-12

Page

Pub. L. No. 112-29, 125 Stat. 284 (2011). *passim*

OTHER AUTHORITIES

157 Cong. Rec. H4496 (daily ed. June 23, 2011). .3

157 Cong. Rec. S1097 (daily ed. Mar. 2, 2011) (statement of Sen. Hatch) 3, 9-10

157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) .4, 30

157 Cong. Rec. S5326 (daily ed. Sep. 6, 2011) (statement of Sen. Leahy) .3, 9

Brief of Amicus Curiae 3M Co. et. al. .17

Brief of Amicus Curiae New York Intellectual Property Law Association, No. 15-446 .17

Brief of Amicus Curiae of Pharmaceutical Research and Manufacturers of America .17

Comments of Director of the USPTO Michelle K. Lee, March 27, 2015 .20

Determining Patentability of a Claim in a Patent Application, 2008 ABA SEC. INTELL. PROP. L. REP. 108-3. .3

Cited Authorities

	Page
H.R. Rep. No. 112-98 (2011)	..11, 13
James Bessen and Michael J. Meurer, *The Direct Costs from NPE Disputes*, 99 Cornell L. Rev. 387 (2014)	.32
Laura Whitworth, *What's in a Claim?: The Importance of Uniformity in Patent Claim Construction Standards*, 98 J. PAT. & TRADEMARK OFF. SOC'Y 21 (to be published, 2016)	.25
Manual of Patent Examining Procedure § 2111	.16
Manual of Patent Examining Procedure § 2260.	.15
Manual of Patent Examining Procedure § 2272	.16
Manual of Patent Examining Procedure § 2672.	.16
Mark Consilivo & Jonathan Stroud, Unraveling the USPTO's Tangled Web: An Empirical Analysis of the Complex World of Post-Issuance Patent Proceedings, 21 J. INTELL. PROP. L. 1 (2013).	.11
Office Patent Trial Practice Guide, 77 Fed. Reg. 48764 (Aug. 14, 2012).	.28
U.S. Patent & Trademark Office, AIA Trial Statistics—February 2016	.11

Cited Authorities

Page

Patent Reexamination: Hearing on S. 1679 Before the S. Comm. on the Judiciary, 96th Cong. 15–16 (1979). . .11

Patent Trial and Appeal Board Statistics, 1/31/2016 .14

Pauline M. Pelletier, *The Impact of Local Patent Rules on Rate and Timing of Case Resolution Relative to Claim Construction: An Empirical Study of the Past Decade*, 8 J. Bus. & Tech. L. 451 (2013) .7

Peter S. Menell, Matthew D. Powers, and Steven C. Carlson, *Patent Claim Construction: A Modern Synthesis and Structured Framework.* .28

PTO Report to Congress On Inter Partes Reexamination .12, 13

Rules of Practice for Trials Before the PTAB, 77 Fed. Reg. 48648 (Aug. 14, 2012) .10

Trimble, Marketa, *"The Impact of "Patent Trolls" on Patent Law and the Legal Landscape of the United States"* (2009). Scholarly Works. Paper 561 .3

RULES

37 C.F.R. § 1.75(b) .29

Cited Authorities

	Page
37 C.F.R. § 1.116(b)	.15
37 C.F.R. § 42.20(c)	.14
37 C.F.R. § 42.100(b)	.21, 24, 28
37 C.F.R. § 42.121(a)	.14
37 C.F.R. § 41.121(a)(i).	.18
37 C.F.R. § 42.122	.19
37 C.F.R. § 41.208(a)(2)	.18

STATEMENT OF INTEREST

Unified Patents Inc. is a member organization dedicated to deterring non-practicing entities, or NPEs, from using extortive litigation tactics to extract settlements from operating companies based on patents that are likely invalid before the district courts and unpatentable before the patent office.[1] Unified's more than 110 members are Fortune 500 companies, small technology start-ups, automakers, industry groups, and others dedicated to reducing the unnecessary drain on the US economy of the now-routine baseless litigations asserting infringement of broad patents of dubious validity and patentability. Unified challenges patents, fighting NPEs and helping to reduce the costs companies incur fighting off their many dozens of annual NPE litigations.

Unified seeks to advance public policies that foster competition and innovation by encouraging operating companies to invest in commercializing technology. Unfortunately, many companies are forced to spend many millions of dollars in legal fees fighting off or licensing baseless patent lawsuits brought by NPEs. Those NPEs seek to exploit a severe imbalance in the cost of district court patent litigation, 44% of which was before just one district court, the Eastern District of Texas, in 2015.

---

1. This brief is filed with the written consent of all parties through letters of consent on file with the Clerk. No counsel for any party authored this brief in whole or in part, and no person or entity other than *amicus curiae*, its members, or its counsel made a monetary contribution intended to fund its preparation or submission.

To those ends, Unified seeks to remove barriers to cost-effective validity and patentability determinations and to reduce the leverage afforded by the expense of district court patent litigation. To date, *inter partes* reviews (IPRs) have provided operating companies with timely and cost-effective patentability determinations, increasing certainty and dramatically reducing the costs of baseless litigations. Over 4,000 IPR petitions were filed in just under three and a half years, demonstrating that operating companies have whole-heartedly embraced them and use them in challenging the patentability of patents of questionable validity. Many of the members of the other amicus organizations arguing *against* the tribunal's fairness and claim construction standard here have nonetheless themselves taken advantage of the forum and the claim construction standard when appropriate for their individual business interests.

INTRODUCTION

Congress passed the America Invents Act (AIA)[2] primarily to rescue American industry from the well-documented problem of lopsided, costly, often questionable patent lawsuits asserting low-quality patents. To address patent quality, Congress created, among other things, IPRs. IPRs allow interested parties to avail themselves of agency expertise—that of the United States Patent & Trademark Office ("PTO")—to fast-track reconsideration of issued patent claims based on evidence and arguments not previously considered by the PTO.[3]

---

2. Pub. L. No. 112-29, 125 Stat. 284 (2011).

3. 35 U.S.C. §§ 312–16; § 325(d).

Prior to the AIA, some patentees were suing many dozens of companies in single lawsuits, asserting that low-quality patent claims, often of amorphous scope, covered some public, critical technology common to an entire industry.[4] Notably, major changes in the law in the 2000s meant many patents had been issued on technologies that "should never be patented."[5] At the time Congress was debating and passing the AIA, the patent bar was hotly debating patent claim construction in other contexts.[6] But Congress actively chose to endorse and leave in place the PTO's "broadest reasonable interpretation" (BRI) claim construction—the logical and just choice continuing 100 years of PTO practice.

---

4. *See, e.g.*, Trimble, Marketa, *"The Impact of "Patent Trolls" on Patent Law and the Legal Landscape of the United States"* (2009). Scholarly Works. Paper 561, available at *http://scholars.law.unlv.edu/facpub/561.*

5. Representative Joseph Crowley, in debating the AIA and urging its passage, described a patent claiming a method "soliciting charitable contributions on the Internet" asserted against the Red Cross, concluding that "[t]hese patents, and many others in this space, are not legitimate patents that help advance America. They are nuisance patents used to sue legitimate businesses and nonprofit business organizations like the Red Cross or any other merchants who engage in normal activity that should never be patented." 157 CONG. REC . H4496 (daily ed. June 23, 2011); *see also 157 Cong. Rec. S5326* (daily ed. Sep. 6, 2011) (statement of Sen. Leahy) (noting IPRs were introduced "to weed out recently issued patents that should not have been issued in the first place.") *157 Cong. Rec. S1097* (daily ed. Mar. 2, 2011) (statement of Sen. Hatch) (similar comments).

6. *See, e.g., Determining Patentability of a Claim in a Patent Application*, 2008 ABA SEC. INTELL. PROP. L. REP. 108-3.

The Patent Office has used BRI procedures, under law and regulation, for more than a century, in examination, reexamination, reissue, on appeal, and in every patentability procedure the patent office conducts,[7] based on a lack of a presumption of validity and because the Office reviews patentability, not invalidity.[8] The AIA's Congressional proponents explicitly assumed the PTO would adopt BRI.[9] Aside from different names, the Petitioner has not identified any substantive difference in the claim construction methods—as none exists. Yet Appellant attempts to side-step this century of PTO history, Congressional intent, and Board rulemaking, ignoring the fact that the very starting point for any BRI analysis is, as it is under the district court standard, the "plain meaning." Petitioner seeks instead to silence the

---

7. *Podlesak v. McInnerney*, 1906 Dec. Comm'r Pat. 265, 258. ("[n]o better method of construing claims is perceived than to give them in each case the broadest interpretation which they will support without straining the language in which they are couched."); *Miel v. Young*, 29 App. D.C. 481, 484 (D.C. Cir. 1907) ("This claim should be given the broadest interpretation which it will support.").

8. A patent is presumed "valid" unless overcome by clear and convincing evidence before a district court, in deference to the issuing agency's expertise. Meanwhile, a petitioner's burden before the Office is limited to proving "unpatentability" by a preponderance of the evidence, as the patent is not presumed valid before the agency that issued it. *Compare* 35 U.S.C. § 282(a) and § 326(e).

9. For example, Senator Kyl stated that a purpose of the new § 301(a)(2) was to "allow the Office to identify inconsistent statements made about claim scope—for example, cases where a patent owner successfully advocated a claim scope in district court that is broader than the "broadest reasonable construction" that he now urges in an *inter partes* review." 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl).

expert agency's technically trained assessment of claim meaning in favor of a district court claim construction standard it believes will be more favorable to costly litigation efforts.

These outcome-independent complaints are nothing but a proxy for a deeper dissatisfaction with the new administrative system for being, at core, too competent at cutting short questionable and costly litigation. By finally forcing these parties to spend money to defend their questionable assets rather than proceeding lopsidedly in district court under zero-down contingency counsel agreements, and by providing quicker expert review of patentability of patent claims that might not have been granted were they considered today, IPRs have brought a sorely needed balance back to the uneven settlement math often exploited in patent cases. The complaints aired here by Petitioner stem from a deeper desire to return to the more lucrative system that came before.

The phrase "broadest reasonable interpretation" describes the same procedure applied in both the PTO and by the courts. In both venues, claims must be construed consistent with the specification as understood by a person of ordinary skill in the art, and the starting point for either forum's construction is the plain and ordinary meaning of the claims. *See generally Phillips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005); Manual of Patent Examination Procedure (MPEP) § 2111. While the PTO and courts have occasionally differed in their claim constructions, those few differences are a reflection of, among other factors, the technical insight of the expert agency—and the limited judicial authority with which it has been bestowed. The Article I administrative law judges of the PTO's Patent

Trial & Appeal Board (PTAB) are technically and legally trained scientists and engineers that have practiced patent law, and most importantly, they are chosen to be capable of independently assessing a technical truth.[10]

Unlike the district courts, the PTAB is not picking a winner in a contested proceeding between two parties. It is not a battle of two claim constructions—that is, if an accused infringer argues an overly narrow construction to avoid infringement, the patentee's construction (likely argued to avoid invalidity) does not win by default; instead the technical truth—as determined by the originally issuing agency—rules the day. The PTAB seeks the true construction of the claims, often disagreeing with both parties and issuing what it believes is the true construction.

Thus, while the PTAB and its fast-track IPRs may have been disruptive for litigants relying on the costly vagaries of district court patent litigation as a business model—and those parties may complain when an agency quickly arrives at an answer and puts an end to their legal leverage—Congress sought to legislate an end to that bad business with the AIA.

An unforeseen consequence of changing the PTO's claim interpretation practices would be to allow a patentee in possession of an earlier district court claim construction

---

10. The administrative patent judges of the PTAB are generally skilled in a relevant technical art, required to have at least a four-year degree in engineering, chemistry, or biology, or the equivalent. https://www.usajobs.gov/GetJob/PrintPreview/406508200. *See also American Hoist and Derrick Company v. Sowa & Sons Inc.*,725 F.2d 1350, 1359 (Fed. Cir. 1984).

to wall off the expert agency from doing its own thorough technical assessment.[11] Such a result would undermine Congress's goal of culling improvidently granted patents from the litigation landscape.[12] Because claim construction is done using the same procedural guidelines in both the PTO and the courts under these standards, the phrase "broadest reasonable interpretation" is but a sideshow highlighted here, masking its true purpose—as a vehicle for a broader indictment of the new system. This Court should not, as Congress did not, disturb the PTO's longstanding claim interpretation practices.

SUMMARY OF THE ARGUMENT

I. The new IPR challenge proceedings were built on patent examination and reexamination before the PTO, and have used the BRI standard for claim

---

11. It is especially critical to the success of the AIA that the expert agency's review of these patents not be hamstrung by previous imprecision (or unnecessary exegesis) in claim construction.

12. Note that, in 2,871 cases studied for the period 2000-2010, it took about twenty-two months to receive a court's construction. Pauline M. Pelletier, *The Impact of Local Patent Rules on Rate and Timing of Case Resolution Relative to Claim Construction: An Empirical Study of the Past Decade*, 8 J. Bus. & Tech. L. 451 (2013), *available at* http://digitalcommons.law.umaryland.edu/jbtl/vol8/iss2/5. As the PTAB panels generally provide a preliminary, nonbinding claim construction within about 6 months of filing of a petition challenging patentability, only those patents litigated prior to passage of the AIA are likely to have a construction that is first in time. 35 U.S.C. § 314(b). Note that, should the standards applied in both the PTAB and district court be the same, the PTAB will quite be forced to issue claim construction positions first, positions that may conflict with later district court rulings.

interpretation for more than a century. Congress sought to raise the level of patent quality by creating an expedited reassessment and amendment procedure for questionable issued patents. In passing the AIA, Congress felt that administrative review of issued patents would result in greater certainty about both the validity and the meaning of a patent's claims, thus rebalancing the lopsided district court litigation then taxing U.S. innovation. Changing the claim interpretation standard, even in name only, is really an attempt to prevent the agency from ruling in those cases (such as this one) where an earlier district court construction resulted in erroneous exegesis.

II. Petitioner greatly exaggerates the practical realities of "defending" patents in IPR. Amendment is no less "free" and no more iterative in IPRs than in patent reexamination, reissue, or interference, which are other post-grant PTO proceedings allowing claim amendment. Patent interference is, like an IPR, an adjudicative PTO proceeding applying BRI, and in which amendment is by motion, nearly identical to IPR. Petitioner cannot dispute that, as in patent interference, amendments are available at the PTAB.

III. When properly applied, the PTAB and district court claim constructions are procedural paths to the same destination. Construction in district court and in the PTAB is doctrinally indistinguishable: both constructions begin with the plain and ordinary meaning of claim terms, and both are performed in the context of the patent specification as understood by a person of ordinary skill in the art. With the same procedures properly applied, any differences

between court and PTAB claim constructions are the result of differences in procedure, evidentiary standards, presumption of validity, or the perspective and authority of the adjudicator in differing venues. To make the standards identical would be to imbue and Article I tribunal with Article III powers.

IV. Congress assumed BRI would be used by the PTO in post-grant patent proceedings, as shown by the text of the AIA statute promulgated to avoid claim-construction gamesmanship by patentees.

ARGUMENT

I. *Inter partes* review (IPR) procedures are a refinement of patent examination and reexamination processes all using the BRI standard, which have for more than a century sought to improve patent quality, thus reducing problematic district court patent litigation.

A. IPR is an administrative proceeding not intended to replace litigation in district court.

IPRs advanced the quest for patent quality by affording an expedited reassessment of issued patents, leading to increased certainty about patentability, thereby reducing problematic district court litigation. IPRs were never intended to substitute for litigation itself. IPRs, like reexamination, are administrative proceedings introduced "to weed out recently issued patents that should not have been issued in the first place." 157 Cong. Rec. S5326 (daily ed. Sep. 6, 2011) (statement of Sen. Leahy); *see also* 157 Cong. Rec. S1097 (daily ed. Mar. 2, 2011) (statement of Sen.

Hatch). IPRs were meant to allow improvidently issued patents to be returned to the agency to give the PTAB another chance to scrutinize patentability. This weeding-out was intended to reduce the threat of litigation by, as noted in this Court, "firms [that] use patents not as a basis for producing and selling goods but, instead, primarily for obtaining licensing fees." *eBay Inc. v. MercExchange, L.L.C.*, 126 S.Ct. 1837 (2006) (Kennedy, J., concurring). The AIA was intended to reduce the threat of unjustified litigation, along with the "harmful tax on innovation" that is levied when patents are used "as a sword to go after defendants for money, even when [the NPE plaintiffs'] claims are frivolous." *COMMIL USA, LLC v. Cisco Systems, Inc.*, 135 S. Ct. 1920, 1930 (2015).

Further, to protect the public—and as an example of a major difference from what is permitted in a district court—the PTAB can, under its discretion, continue an IPR even where the petitioner settles and withdraws. It may continue the proceeding after settlement at the discretion of the Board according to "the particular facts of each case." 77 Fed. Reg. 48648 (Aug. 14, 2012). Such facts might include clearly unpatentable claims, *id.*, or the stage of the proceedings, but in any case, continuation after settlement is at the discretion of the Board, 35 U.S. C. § 317(a), and the Board has in fact continued proceedings after the parties have settled. *See, e.g., Blackberry Corp. v. Mobilemedia Ideas LLC*, IPR2013-00016, Paper No. 31 (PTAB December 11, 2013); *Blackberry Corp. v. Mobilemedia Ideas LLC*, IPR2013-00036, Paper No. 64 (PTAB Jan. 21, 2014). It must then rule on claim construction. The possibility of continuing the IPR even after the petitioner has settled is additional evidence of the plain intent of Congress to protect the

public from low quality patents with IPRs, rather than to substitute IPRs for litigation.

B. IPR is a refinement of an earlier PTO post-grant procedure, *inter partes* reexaminations, which construed claims using the broadest reasonable interpretation (BRI).

Other Congresses had attempted to improve patent quality prior to the AIA, but none of the earlier actions proved as successful as IPRs. (The number of IPR petitions filed to date, well over 4,000,[13] is a testament to their popularity and success.) In 1980, Congress introduced *ex parte* reexamination to provide a vehicle for a third party or patent owner to obtain reexamination of a patent, in an attempt to increase patent quality.[14] Pub. L. 96-517, 94

---

13. As of March 1, parties had filed 4,038 petitions since September 2012. *See* U.S. Patent & Trademark Office, AIA Trial Statistics—February 2016 (last visited March 29, 2016), *available at http://www.uspto.gov/sites/default/files/documents/2016-2-29%20PTAB.pdf.*

14. H.R. REP. NO. 112-98, at 45 (2011); *see also* Patent Reexamination: Hearing on S. 1679 Before the S. Comm. on the Judiciary, 96th Cong. 15–16 (1979) (statement of Comm'r U.S. Patent and Trademark Office Sidney Diamond) (finding "Reexamination would eliminate or simplify a significant amount of patent litigation. In some cases, the PTO would conclude as a result of reexamination that a patent should not have issued. A certain amount of litigation over validity and infringement thus would be completely avoided."). *See generally* Mark Consilivo & Jonathan Stroud, Unraveling the USPTO's Tangled Web: An Empirical Analysis of the Complex World of Post-Issuance Patent Proceedings, 21 J. INTELL. PROP. L. 1 (2013) (providing a history of the legislation and motivations behind earlier post-issuance regimes leading up to and including the AIA).

Stat. 3016, § 1 (1980). However, *ex parte* reexamination proved unpopular because, although it was intended to serve as a fast, low-cost alternative to patent litigation for reviewing the originality aspects of patent validity, the one-sided mechanism proved slow and unpredictable in practice.[15] Amendments were allowed, and the standard for claim construction in *ex parte* reexamination was BRI.

In response to the tepid interest in *ex parte* reexamination by patent challengers, Congress passed the American Inventors Protection Act (AIPA) of 1999, Pub. L. 106-113, 113 Stat. 1501A-571, § 4606 (1999). The AIPA established a new *inter partes* reexamination (IPX) procedure that allowed a reexamination requester more participation than did the existing *ex parte* reexamination procedure. The new IPX permitted third-party requesters to submit a written comment each time the patent owner filed a response to a PTO "office action" on the merits, and to appeal an adverse decision of the patent examiner to the Board of Patent Appeals & Interferences (BPAI).[16] Further, a requester could have full participation rights in a patent owner's appeal to the BPAI. As an additional feature, if the requester were unsuccessful in the IPX, any third-party requester would be estopped from later asserting in any civil action, or in a subsequent IPX, the invalidity of any claim the BPAI finally determined to be valid and patentable on any ground the third-party requester raised or could have raised in the IPX. 35 U.S.C. 315(c) (pre-AIA). The requester was also estopped from

---

15. *See PTO Report to Congress On Inter Partes Reexamination (PTO Report)*, http://www.uspto.gov/web/offices/dcom/olia/reports/reexam_report.htm (undated).

16. The BPAI was replaced by the PTAB in the AIA.

later challenging in a civil action any "fact" determined in the IPX. Section 4607 of the Optional Inter Partes Reexamination Procedure Act of 1999, uncodified. In 2002, third parties obtained the right to appeal IPX decisions to the U.S. Court of Appeals for the Federal Circuit and to participate in the patent owner's appeal to that Court. But even with these refinements the IPX procedure also proved to be unpopular, because the estoppel provisions were unpopular, it did not allow discovery and cross-examination, and it was slow. *See PTO Report*, 3-4. As of 2005, "a large number of reexamination proceedings ha[d] been pending before the USPTO for more than four years without resolution."[17] Amendments were allowed, and the standard for claim construction in IPX was BRI.

The IPR procedure introduced in the AIA expressly addressed the deficiencies of the earlier reexamination procedures, and importantly added the additional mandate of speed: in an IPR, the PTAB must finish its work within 1 year (extendable to 18 months). 35 U.S. Code § 316(a)(11) (2011). The AIA also incorporated important administrative and time-saving refinements to previous patent reexamination procedures. IPRs replaced the duplicative patent examiner phase of patent reexamination, leaving only a judicial review phase. These measures resulted in a truncated timeline as compared to the previous IPX procedure. *See* H.R. Rep. No. 112-98, at 46 (2011). The success of IPRs is demonstrated by the 4040 IPR petitions that were filed between Sep. 16, 2012

17. Testimony of Mr. Jon Dudas, U.S. Sen. Comm. On the Judiciary (Apr. 25, 2005), http:// www.idiciary.senate.gov/hearings/testimony.cfm?id=e655f9e2809e5476862fr735da104aa60&hit_it=e655f9e2809e5476862f735dal04an60-1-1.

and Jan. 31, 2016. More important, as an example of the effect of IPRs on judicial efficiency, in fiscal year 2015 out of 1737 IPR petitions filed, 464 (27%) were settled within 15 months of filing.[18]

Amendment of claims in an IPR is no less "free" than in the re-examination procedures the IPR supplants. In an IPR, a patentee may propose new claims on a one-for-one basis, but these claims are only added if a corresponding motion to amend claims has been granted by the Board. In such a motion, the burden is on the patent owner to show a patentable distinction of each proposed substitute claim over the prior art. 37 C.F.R. § 42.20(c). The particular standard used in interpreting a substitute claim is irrelevant to the difficulty with which a claim may be amended.

II. Amendment is not more limited in IPRs than in other post-grant procedures, even in other adjudicative proceedings, and post-grant amendment is available by other routes at the U.S. Patent and Trademark Office (PTO).

Congress did not "eliminat[e] .the right to amend claims" in an IPR, as Appellant states. *App. Bf.* 29. In fact, as Appellant admits in the same paragraph, "[i]n IPR, the patentee may file one 'motion to amend' but must first confer with the Board. 35 U.S.C. 316(d); 37 C.F.R. 42.121(a)." *Id.* Amendment is permitted in IPR proceedings, and is no more restricted than in certain

---

18. Patent Trial and Appeal Board Statistics, 1/31/2016, *available at* http://www.uspto.gov/sites/default/files/documents/2016-01-31%20PTAB.pdf.

other post grant, even adjudicative proceedings of the PTO, which also use BRI. The lack of a large number of successful amendments in IPRs to date is not rooted in any reluctance of the agency to accept amendments, but instead, to the impossibility of saving low quality patents with amendments that lack technical distinction. In addition, there are alternatives to IPRs available to patentees who wish to modify their claims.

A. Claims may be modified in reexamination proceedings, which, like IPR, are post-grant proceedings at the PTO that allow limited amendment, and use BRI.

Patent reexamination is a post-grant patent review process whereby "[a]ny person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited." 35 U.S.C. § 302; 311 (pre-AIA). Like IPRs, reexamination permits a patentee limited amendment options; usually one. If the patentability of any claim appears questionable, the patentee may propose new claims. 35 U.S.C. §§ 305-307. However, contrary to appellant's mischaracterizations, the amendment, or substitution, process in a reexamination is hardly as easy as in an original examination—while both proceedings have long used BRI. There is simply no "back-and-forth between the Patent Owner and examiner" in reexamination. Instead, after the examiner initially rejects the claims in a non-final office action, a patentee is provided with a single opportunity to amend the claims. MPEP § 2260, 37 C.F.R. 1.116(b).

If this amendment is deemed insufficient to overcome the rejections, a final office action (or Action Closing

Prosecution (ACP) in IPX) will issue from the examiner. Once prosecution is closed, it cannot be reopened absent extraordinary circumstances and the Patent Owner has no further opportunity to substantively amend the claims as the reexamination is forwarded on to the PTAB with special dispatch.

> Consideration of amendments submitted after final rejection and prior to, or with, the appeal will be governed by the **strict standards** of 37 CFR 1.116.... Both the examiner and the patent owner should recognize that substantial patent rights will be at issue with no **opportunity for the patent owner to refile** under 37 CFR 1.53(b), or 1.53(d), and **with no opportunity to file a request for continued examination** under 37 CFR 1.114. Accordingly, both the examiner and the patent owner should identify and develop all issues **prior to the final Office action**, including the presentation of evidence under 37 CFR 1.131(a) and 1.132.

MPEP §§ 2272; 2672 (emphasis added)

Unlike patent application processing, there is no option to "continue prosecution" absent extraordinary circumstances, and there is no "back and forth" or "iterative" amendment process. *See, e.g., App. Bf. 5,13.* Yet, the appropriateness of the BRI standard for use in reexamination, in which these obstacles are put in the way of amendment, is admitted by Appellant. *Id.* at 23 ("Because reexamination is the functional equivalent of an initial examination, it uses the same claim construction standard to advance the same goals. The examiner is required to

give a claim its broadest reasonable interpretation."). Appellant's *amici* agree. *See, e.g., Brief of Amicus Curiae New York Intellectual Property Law Association,* No. 15-446, at 23; *Brief of Amicus Curiae 3M Co. et. al.*, at 12; *Brief of Amicus Curiae of Pharmaceutical Research and Manufacturers of America* at 13.

B. Interference proceedings, which are adjudicatory proceedings at the PTO that allow amendment (and on which IPR procedure was based), use BRI.

Patent interference is a venerable PTO adjudicative proceeding that, like the new IPRs, limits amendment options to a motion process and, like IPRs, applies BRI in proceedings involving granted patents. Interferences ensue when two different parties file a patent application claiming the same invention. Pre-AIA 35 U.S.C. § 102(g).[19] Interferences are, like IPRs, adversarial adjudicatory proceedings that use BRI, and were first codified in 1836. Act of July 4, 1836, ch. 357, § 8, 5 Stat. 120.

Petitioner admits that amendment is possible in an interference, and acknowledges that BRI is used in interferences. *App. Br.* 13. Petitioner recognizes that BRI is acceptable in interferences because "a patentee may 'narrow its claims by filing an application to reissue the patent [and] request that the reissue application be added to the interference'," citing *Bamberger v. Cheruvu*, 55 U.S.P.Q.2d 1523, 1526 (B.P.A.I. 1998) (non-precedential).

---

19. Interferences will disappear for patent applications and patents with an effective filing date on or after March 16, 2013, due to the new first-to-file provisions of the AIA, 35 U.S.C. § 102 (a) (2015).

App. Br. 25, FN6. Such a reissue is a form of amendment, with the change in the claim in the form of a substitution, or addition, of claims. 37 C.F.R. § 41.121(a)(i), 37 C.F.R. § 41.208(a)(2), and PTO Standing Order 208.5.2 (March 8, 2011). As in IPRs, motions to amend in interferences are not entered as a matter of right, and are not uniformly granted. *See Bamberg v. Dalvey*, No. 2015-1548, slip op. at 8-9 (Fed. Cir. March 9, 2016) (motion to amend denied because the movant didn't comply with the rules governing such motions). Further, leave to file an application to reissue a patent involved in an interference and to have the reissue application added to the interference—additional requirements for "amendment"—must itself be sought on motion under 37 C.F.R. § 41.121(a)(i), 37 C.F.R. § 41.208(a)(2), and Standing Order 208.5.1, and such motions are also not uniformly granted. In those cases where such a motion is granted, there is no automatic right to present as many new claims as one desires. *Wnek v. Dobbs,* 85 USPQ2d 1159, 1160 (BPAI 2006) (nonprecedential). With adherence to the proper procedure, amendment is no less freely possible in an IPR than it has been in an interference for the last 180 years.

In sum, a patentee in an adjudicated IPR has the right to amend his claims, as applicants in interferences have had with virtually the same claim interpretation standards and administrative provisions, for well over a century. Appellant here has not even attempted to explain why if BRI has been satisfactory in interferences, it is not suitable for IPRs.

C. Patent reissue is a post-grant proceeding that likewise allows patentees to amend claims, and uses BRI.

Appellant recognizes, but does not elaborate for this Court, another alternative to the amendment processes he denigrates: patent reissue. *See App. Br.* 25, FN6. The PTAB itself recognizes that a patentee might avail himself of more expansive amendment options as an alternative to amendment. *ZTE Corp. v. ContentGuard Holdings, Inc.*, IPR 2013-00136, Paper 33 at 3 (PTAB Nov. 7, 2013) ("if a patent owner desires a complete remodeling of its claim structure according to a different strategy, it may do so in another type of proceeding before the Office.") A patentee may also have considerable flexibility in integrating a reissue proceeding with an ongoing IPR, because during an IPR the PTAB has the power to "enter any appropriate order regarding the additional matter including providing for the stay, transfer, consolidation, or termination of any such matter." 37 C.F.R. § 42.122.

D. Many factors have contributed to the limited number of amendments made to date in IPRs.

A patentee in an IPR has the opportunity to seek to amend his claims, but the Board has found few claim amendments allowable in IPRs thus far. Yet the various factors that have contributed to the low number of motions to amend—both sought and granted—do not themselves discount a patentee's ability to amend claims in an IPR. For instance, the newness of the IPR process has limited parties' success, as many patent owners as yet lack the familiarity with new procedures that might assure them a grant of any motions to amend. *See, e.g., ZTE, id.*

("ContentGuard did not appreciate fully its burden of proof."). Patentees involved in active litigation are usually careful not to amend their claims so that their accused infringers no longer infringe, further constraining the types of amendments patent owners are willing to put forth.

On the other side, an absence of precedent may give PTAB panels a reluctance to grant amendment motions, which, upon grant, issue directly. The PTO is well-aware of these issues; an expanded panel of the PTAB has recently found it necessary to clarify the requirements for obtaining amendments. *See MasterImage 3D, Inc. and MasterImage 3D Asia, LLC v. RealD Inc.*, IPR2015-00040 (PTAB July 15, 2015). The amendment procedure has proven cumbersome; in response, the PTO is initiating a series of "quick-fixes" to streamline the amendment process, and continues to issue new rules packages updating their procedures and regulations governing amendment. *Comments of Director of the USPTO Michelle K. Lee*, March 27, 2015 http://www.uspto.gov/blog/director/entry/ptab_s_quick_fixes_for.

Finally, patentees may be constrained by the fear of intervening rights from proposing amendments that are acceptably differentiated from the original claims. A patentee must propose neither an amendment with a change too small to be granted nor one containing a change "substantive" enough to trigger intervening rights. *See Laitram Corp. v. NEC Corp.*, 163 F.3d 1342, 1346 (Fed. Cir. 1998) ("If substantive changes have been made to the original claims, the patentee is entitled to infringement damages only for the period following the issuance of" the modified claims). The fear of intervening rights is

especially prevalent in arts where licensing entities are the most active, such as consumer electronics. In such quickly developing technologies, an amendment may not only give up past damages, but foreclose future damages if the technology has already advanced beyond the patented device or methodology. In sum, IPR amendment is available, robust, and evolving; but the procedure is new, and patentees involved in litigation are generally reluctant to make significant amendments, whereas the PTAB is reluctant to grant amendments for technically trivial changes, where the earlier challenged claims would be held unpatentable.

III. When properly applied, the standards of construction in the PTO and in the courts are paths to the same result.

A major feature of earlier patent reexamination procedures carried over to IPRs is the use of the BRI standard for claim interpretation.[20] Petitioner contests the use of this standard, although it is the standard that the PTO has used in reviewing both patents and patent applications for decades. Petitioner argues that the Board should *instead* construe the claim in a patent being examined by the PTAB according to its plain and ordinary meaning, "as a federal court would be required to do." *App. Bf.* at (I). Phraseology aside, both the PTO and the federal courts are required to construe claims using the same methods.

---

20. "A claim in an unexpired patent shall be given its *broadest reasonable construction in light of the specification* of the patent in which it appears." 37 C.F.R. § 42.100(b) (emphasis added).

As explained below, plain and ordinary meaning is used by PTO regulation, and was used in the assessment of Petitioner's claims. As such, what Petitioner really seeks is a decision of this Court to remove the different labels from these frameworks such that the Petitioner can silence the expert agency's technically reasoned construction in favor of its own preferred, and earlier, court construction. Petitioner's patent claims were found to be unpatentable by the PTAB, IPR2012-00001, *aff'd*, *In re: Cuozzo Speed Techs., LLC*, 793 F.3d 1268 (Fed. Cir. 2015), and Petitioner implies that the result might have been otherwise had the BRI standard for claim construction not been used.

A. Because the PTAB properly applied the BRI standard, Petitioner received the "plain and ordinary" claim interpretation it seeks.

But Petitioner did receive a claim interpretation based on plain and ordinary meaning. The PTAB made clear to Petitioner that "the Board interprets claim terms by applying the broadest reasonable construction in the context of the specification in which the claims reside. *Also*, we give claim terms their *ordinary and accustomed meaning as would be understood by one of ordinary skill in the art.*" *Inst. Dec.* 3–4 (internal citations omitted; emphases added). Thus, "for purposes of this decision we proceed on the basis that the *plain and ordinary meaning of words in their common usage applies*, albeit taken in the context of the disclosure of the '074 Patent." *Id.* at 4. Here, the Board properly applied BRI using the methods of *Phillips*, *i.e.*, the same methods used in the courts.

B. The PTO recognizes that BRI and "plain and ordinary meaning" are not alternatives.

In order to differentiate BRI from the district court procedure, Appellant misrepresents the BRI standard the PTAB is required to use, stating that this standard "directs the Board to give claims their 'broadest reasonable construction *rather than* their plain and ordinary meaning." App. Br. 35 (emphasis added). But both the PTO generally and the PTAB in particular make clear that plain and ordinary meaning is fundamental to any claim interpretation of the PTO. Expanding upon "broadest reasonable interpretation," the PTO explains that

> The broadest reasonable interpretation does not mean the broadest possible interpretation. Rather, the meaning given to a claim term must be consistent with the ordinary and customary meaning of the term (unless the term has been given a special definition in the specification), and must be consistent with the use of the claim term in the specification and drawings. Further, the broadest reasonable interpretation of the claims must be consistent with the interpretation that those skilled in the art would reach.

MPEP § 2111. This explanation of what the PTO means by "broadest reasonable interpretation" contains, identically, the features of a claim interpretation based on *Phillips*: "the words of a claim 'are generally given their ordinary and customary meaning the meaning that the term would have to a person of ordinary skill in the art in

question at the time of the invention,'" *Phillips* at 1312-1313 (internal citations omitted); and, "claims must be construed so as to be consistent with the specification, of which they are a part." *Id.* at 1316 (quoting *Merck & Co. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1371 (Fed.Cir. 2003)). The PTO's Trial Practice Guide for IPRs similarly states that "[a] claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears." 37 C.F.R. §42.100(b).

The PTAB in this case followed the published PTO procedures regarding claim construction. Thus, the PTAB accorded the patentee the proper, broadest reasonable interpretation—of which he now argues he was deprived.

C. The U.S. Court of Appeals for the Federal Circuit recognizes that BRI and "plain and ordinary meaning" are not alternatives.

The Federal Circuit is consistent in its understanding that the BRI standard comprises a "plain and ordinary" understanding: for example, in *Microsoft Corp. v. Proxyconn, Inc.*, 789 F. 3d 1292, 1298 (Fed. Cir. 2015), the court stated that claim constructions during IPR must not be "*unreasonable* under general claim construction principles" (emphasis in original). In addition, claims should always be read in light of the specification and teachings in the underlying patent, the PTO should consult the patent's prosecution history, and the construction "must be consistent with the one that those skilled in the art would reach." *Id.* In *Trivascular, Inc. v. Samuels*, No. 2015-1631, slip op. at 6–7 (Fed. Cir. Feb. 5, 2016), the court stated—invoking numerous citations from earlier decisions

(omitted here)—that "[u]nder a broadest reasonable interpretation, words of the claim must be given their plain meaning, unless such meaning is inconsistent with the specification and prosecution history." In particular, "[w]hile the broadest reasonable interpretation standard is broad, it does not give the Board an unfettered license to interpret the words in a claim without regard for the full claim language and the written description. *Id.*

D. Factors other than BRI can result in differences in claim construction in the PTO and in the courts.

Differences between the courts and the PTO in claim interpretation may be attributable to factors other than the claim construction standard. One of these factors is the statutory presumption of validity, which is a court's expression of "the deference that is due to a qualified government agency presumed to have properly done its job which includes [personnel] who are assumed to have some expertise in interpreting the references and to be familiar from their work with the level of skill in the art and whose duty it is to issue only valid patents." *American Hoist and Derrick* at 1359.[21] In short, a court will defer

21. This deference to technical qualification is distinguishable from the deference to administrative agencies' construction of statutes administered under the authority of that agency as dictated by *Chevron, USA, Inc. v. Natural Resources Defense Council, Inc.* 467 U.S. 837 (1984). *See generally* Laura Whitworth, *What's in a Claim?: The Importance of Uniformity in Patent Claim Construction Standards*, 98 J. PAT. & TRADEMARK OFF. SOC'Y 21 (to be published, 2016). Under the two-prong *Chevron* test, in the AIA (1) Congress was expressly silent regarding the precise issue of claim construction standards in IPRs, even though it was conscious of the

to agency expertise—the technical expertise used by the PTO in review proceedings, initial examination, and claim construction and the nature of PTO examiners, staff, and PTAB judges. District court judges must deal with a broad universe of cases, and are not required to have the engineering or scientific background required of PTO examiners or PTAB judges, whose focus is much narrower. In contrast, the PTAB determines technical truth guided by its own technical and scientific training, with the input of the parties. Absent deference to the expertise of the agency, there is no presumption of validity.[22]

---

question; and (2) Congress did not withdraw any of the powers given to the PTO in 35 U.S. Code § 2(b). Therefore the PTO is entitled to *Chevron* deference under this test. *See also Lacavera v. Dudas*, 441 F.3d 1380, 1383 (Fed. Cir. 2006)("Because the PTO is specifically charged with administering [35 U.S.C. § 2(b)(2)], we analyze a challenge to the statutory authority of its regulations under the Chevron framework.")

22. The influence of the presumption of validity and defining patent claims to require un-recited limitations in a court decision is evident in *PPC Broadband Inc., v. Corning Optical Communications RF, L.L.C.* (Fed. Cir. Feb. 22, 2016), which issued after this petition was granted *certiorari*. The PTAB decided that "continuity" in the context of the patent referred only to physical contiguity, and did not require continuity in time. The court agreed with the PTAB's BRI construction, but in *dicta* volunteered that "[u]nder Phillips," which required both physical and temporal continuity." The court's narrower claim construction would have preserved the validity of the claims in question as the prior art did not demonstrate temporal continuity. As can be appreciated in this case, the USPTO stands in the way of those seeking to enforce patent claims with un-recited requirements. Such definitions are often times finessed from forums lacking technical expertise more focused on selecting between competing party-constructions as opposed to technical correctness.

The use of a plain and ordinary meaning standard in the courts is an implicit bow to the work of the expert agency and the resulting presumption of validity, and it affects the evidentiary standard as well. Given the presumption of validity, in district courts invalidity must be shown by clear and convincing evidence, *Microsoft Corp. v. i4i Limited Partnership*, 131 S. Ct. 2242 (2011), while in the PTAB a petitioner must show unpatentability with a lower preponderance of the evidence standard, under no presumption of validity. *See, e.g., Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988). Regardless of the standard used for claim interpretation, it is easier to show a claim unpatentable in the PTAB than invalid in a court because of the differing burdens of persuasion, as the patent is not presumed valid by the agency that issued it. Changing the claim construction standard will not change that reality, regardless of the outcome here.

E. Claim construction procedures under the PTAB and in the courts differ only inconsequentially.

The following chart shows that in terms of evidence available, and how that evidence is treated, there is little difference between BRI and a *Phillips* claim construction; the necessary conclusion is that, if properly applied, these tools should lead to identical constructions, whether they are made in the PTO from the point of view of examination or in district court from the point of view of litigation:

Claim Interpretation	PTO BRI	District Court
Plain & ordinary meaning in light of the specification and consistent with the understanding of a person skilled in the art.	Yes, for undisputed terms.[23]	Yes, for undisputed terms.[24]
Intrinsic evidence.	Yes.[25]	Yes.[26]
Extrinsic evidence.	Yes, if needed.[27]	Yes, if needed.[28]
Claim construction from prior litigation.	Yes if a statements of the patent owner filed in a proceeding before a Federal court or the PTO.[29]	Yes, depending on circumstances.[30]

23. *MPEP* § 2111; 2111.01 (IV) (2015); C.F.R. § 42.100(b); *In re Cortright*, 165 F.3d 1353,1358 (Fed. Cir. 1999). *see* Office Patent Trial Practice Guide, 77 Fed. Reg. 48764 (Aug. 14, 2012).

24. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005).

25. MPEP § 2111.01 (III) (2015).

26. *Phillips* at 1313.

27. MPEP § 2111.01 (III) (2015).

28. *Phillips* at 1317.

29. 35 U.S.C. § 301.

30. *See generally* Peter S. Menell, Matthew D. Powers, and Steven C. Carlson, *Patent Claim Construction: A Modern Synthesis and Structured Framework*, available at http://ssrn.com/abstract=1476395.

Claim construction from patent family members.	Yes.[31]	Yes.[32]
Claim differentiation.	Yes.[33]	Yes.[34]
Ability to amend claims.	Yes.[35]	No.
Claims construed to preserve validity.	No.	Rarely.[36]

Any differences in the practices of the PTO and the courts are not doctrinal, but rather a technical disagreement experience of the competing decision makers, and a recognition that the PTO will not presume patents it issued valid.

---

31. 35 U.S.C. § 120.

32. *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1334 (Fed. Cir. 2003).

33. 37 C.F.R. § 1.75(b).

34. *Phillips* at 1314.

35. 35 U.S.C. § 316(d).

36. The Federal Circuit has not "applied this principle broadly" and has "**not endorsed** a regime in which validity analysis is a **regular component** of claim construction." *Phillips* at 1327 (emphasis added, internal citations omitted). Indeed, such a rare construction is in deference to the PTO's initial review, which has no place in a later review proceeding conducted by the PTO itself.

IV. Congress assumed BRI would continue to be used by the PTO in post-grant patent proceedings, as shown by the specific statute of the AIA it promulgated, to avoid claim-construction gamesmanship by patentees.

Anticipating the differing frameworks, Congress introduced a safeguard into the AIA to prevent patentees from arguing a different claim interpretation in front of the PTAB than it argued elsewhere. That safeguard is 35 U.S.C. § 301, "Citation of Prior Art And Written Statements." Section 301(a)(2) solicits, from "any person at any time," written citations to "statements of the patent owner filed in a proceeding before a Federal court or the Office in which the patent owner took a position on the scope of any claim of a particular patent." Section 301(d) states that such citations may be used by the PTO only "to determine the proper meaning of a patent claim" in an IPR, a re-examination, or a post-grant review. Accordirg to Senator Kyl, the Section's purpose was to "help the Office understand and construe the key claims of a patent," and was meant to "allow the Office to identify inconsistent statements made about claim scope—for example, cases where a patent owner successfully advocated a claim scope in district court that is broader than the '*broadest reasonable construction' that he now urges in an inter partes review.*" 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl, emphasis added). By incorporating § 301 into the AIA, Congress demonstrated that it not only recognized the existence of the differently named frameworks of the court and PTO, but also endorsed them, and acted to ensure that, in post-grant PTO proceedings, the ultimate result would not be influenced by gamesmanship.

CONCLUSION

Patents of high quality—which clearly and appropriately claim an invention—reduce the costs and delays of district court infringement litigation, thus helping achieve Congress's stated goals in passing the AIA. Petitioner attempts to misrepresent the PTO's BRI standard for claim interpretation as somehow eschewing the "plain meaning," and contributing to inconsistency between claim interpretations in an IPR and in court. But, careful and correct assessment of a patent claim by either a court or by the PTO should lead to the same construction, as both forums apply plain and ordinary meaning to disputed terms. That one forum's imperfect application of the "plain and ordinary meaning" sometimes inures to a patentee's benefit, under a framework that differs only in the organization that applies it, is no reason to upend a century of expert agency claim construction practices and jurisprudence.

The rapacious litigants that Congress attempted to restrain with the AIA were not inventors, operating companies, or even licensing companies, but rather, were legally trained profiteers whose business was based on monetizing patents of low quality and then extracting settlements for less than the high cost to defend these suits. These profiteers, referred to as "NPEs" or more pejoratively "patent trolls," wield the high cost of district court litigation (including the asymmetrical discovery obligation that benefits organizations that exist only to sue) as a sword to force otherwise unwarranted financial settlements. Generally investing little, and using contingency counsel, NPEs were taxing America's innovators to the tune of billions of dollars per year prior

to the AIA.[37] James Bessen and Michael J. Meurer, *The Direct Costs from NPE Disputes*, 99 Cornell L. Rev. 387, 408 (2014).38 The AIA's creation of, among other things, IPR has significantly crippled NPEs' ability to hold up American industry through unjustifiable assertions of low-quality patents by presenting a fast, efficient, low-cost alternative to arcane, expensive, and time-consuming patent litigation. The case before this Court seeks to start to roll back that progress.

Respectfully submitted,

KEVIN JAKEL
JONATHAN STROUD
SHAWN AMBWANI
UNIFIED PATENTS INC.
2 North 1st Street, 5th Floor
San Jose, California 95113
(650) 999-0899

SCOTT A. MCKEOWN
Counsel of Record
STEPHEN G. KUNIN
JEFFREY I. FREY
OBLON, MCCLELLAND, MAIER & NEUSTADT, L.L.P.
1940 Duke Street
Alexandria, Virginia 22314
(703) 412-6297
smckeown@oblon.com

Counsel for Amicus Curiae

37. In aggregate costs, including legal costs, settlement costs, and other costs for resolved lawsuits, unresolved lawsuits, and non-litigated assertions.

38. *Available at* http://scholarship.law.cornell.edu/clr/vol99/iss2/3.